

Message Text

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SUBJ: FY 79 COUNTRY COMMERCIAL PROGRAM - FIFTH QUARTER

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1. SUMMARY. AL-
THOUGH SUMMER QUARTER NORMALLY SLOWEST, JULY-
SEPTEMBER PACE EQUALLED OR SUPASSED THAT OF FOURTH QUARTER,
IN QUARTER AND FY 76 AS WHOLE, SPECIFIC CCP CAMPAIGN TARGETS
WERE EXCEEDED. ANNOUNCED BUT YET-TO-BE-IMPLEMENTED INDIGENIZATION
PROGRAM OCCUPIED LARGE PART OF SECTION'S EFFORTS DURING QUARTER.
FORMAL PROMOTION ACTIVITY EASED OFF BECAUSE OF RECRUITING
DIFFICULTIES IN US, WITH RESULT THAT PROMOTIONS NOW BUNCHED AFTER
FORTHCOMING FESTAC FESTIVAL. MAJOR PROJECT ACTIVITY CONTINUED
WITH SOME CHANGE IN CHARACTER. INDIGENIZATION POLICY APPARENTLY
IROMPTED NUMEROUS JOINT CONSTRUCTION VENTURE INQUIRIES. FROM
NIGERIANS SUMMARY END.

2. PROMOTIONS: DESPITE NORMAL SUMMER SLOWDOWN, TWO FORMAL
USDOC PROMOTIONS HELD CONSUMER GOODS CATALOGUE SHOWN AND
TELECOMMUNICATIONS TECHNICAL SALES SEMINAR. BOTH QUITE
SUCCESSFUL, WITH TSS WELL-TIMED TO INFLUENCE DECISIONS
IN MAJOR FMG COMMUNICATIONS PROGRAMS. REFLECTING SLOWDOWN,
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EMBASSY'S BUSINESS RECEPTION CENTER HOSTED ONLY ONE
INDIVIDUAL COMPANY PRESENTATION, FOR PASCOE STEEL. PRE-
PARATIONS CONTINUED FOR SEVERAL FORMAL PROMOTIONS
SCHEDULED FIRST QUARTER FY 1977 (HOWEVER ALL SUBSEQUENTLY
CANCELLED OR POSTPONED BY RECRUITMENT DIFFICULTIES IN US).

IN FORMA

CCP CAMPAIGNS, SPECIFIC PROGRAM TARGETS (WTDRS, ETC). EXCEEDED FOR QUARTER AND YEAR.

3. MAJOR PROJECTS/TRADE OPPORTUNITIES: POST CONTINUED OR INITIATED FACILITATIVE OR FOLLOW-UP ACTIVITIES IN 24 MAJOR PROJECTS, SOME OLD (ARMY BARRACKS PROGRAM, PETROCHEMICALS, PIPELINES, AIRPORT AVIONICS, ETC.) SOME NEW (SEVERAL INDIVIDUAL INDUSTRIAL PLANTS AND LAROS OFFICE BUILDINGS, UNIVERSITIES, SHIRORO HYDRO PROJECT). NEW ACTIVITY NOTED IN SUCH MAJOR TRADE OPPORTUNITIES AS RAILROAD LOCOMOTIVES AND ARMY VEHICLES, WITH LATTER CONTINUING TO REQUIRE CONSIDERABLE FOLLOW-UP. NEW CAPITAL CITY PROJECT GATHERED STEAM AND IS BEGINNING LOOK LIKE LONG-TERM US-NIGERIAN RELATIONSHIP, PARTICULARLY THROUGH AID COUNTRY FINANCED SERVICES MECHANISM. OTHER POTENTIAL MAJOR PROJECTS SIGNALLED BY CISITS TO US BY OFFICIAL FMG TRANSPORTATION AND CONSTRUCTION DELEGATIONS.

4. SECTOR COVERAGE: E/C SECTION PRODUCED A CHECKLIST FOR CONTRACTOR REGISTRATION, CONSTRUCTION BACKGROUND PAPER FOR VISIT OF CONSTRUCTION DELEGATION AND IN RESPONSE REQUEST, GUIDANCE ON DOING BUSINESS AS ENGINEER. COVERAGE CONTINUED ON PART SITUATION AND ENERGY SECTOR PROJECT PLANS, WITH NINE REPORTS MADE IN LATTER.

5. GENERAL: MAJOR PREOCCUPATION DURING FIFTH QUARTER (AND CURRENT QUARTER) WAS INDIGENIZATION POLICY ANNOUNCED JUNE 29 AIMED AT CONSIDERABLE INCREASE NIGERIAN PARTICIPATION MOST BUSINESS ENTERPRISES. AE COUNT OVER 20 TELEGRAMS OR AIRGRAM THIS SUBJECT DURING QUARTER, WHICH ENDED WITH NIGERIAN ACQUISITION OF 60 PERCENT OWNERSHIP OF FORMERLY-FOREIGN BANKS, CAUSING UNCLASSIFIED

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DEPARTURE ONE AMERICAN BANK. ASIDE FROM REPORTING, INDIGENIZATION WAS MAJOR ELEMENT IN E/O SECTION'S DAILY BRIEFING OF VISITING AMERICAN BUSINESSMEN. APPROPRIATE TO STRESS HERE THAT, EXCEPT FOR FAIT ACCOMPLI IN BANKING SECTOR, FORMAL INDIGENIZATION DECREE IS NOT REPEAT NOT YET LEGISLATED, LEAVING PRECISE DETAILS OF POLICY UNKNOWN. OF PARTICULAR INTEREST TO USDOC WILL BE ROLE OF AGENTS OR DISTRIBUTORS FOR (1) LOCALLY-MANUFACTURED GOODS (ORIGINALLY SET FOR 100 PERCENT NIGERIAN OWNERSHIP) AND (2) IMPORTED GOODS (WHERE AGENTS/DISTRIBUTORS ORIGINALLY SET AT 60 PERCENT NIGERIAN OWNERSHIP). IF THIS ADOPTED IN DECREE PROBLEMS WILL ENSURE. ANOTHER TREND NOTED DURING QUARTER WAS NUMEROUS INQUIRIES BY SMALL AND OFTEN UNKNOWN AND INEXPERIENCED NIGERIANS FOR AMERICAN PARTNERS TO ENTER CONSTRUCTION BUSINESS. THIS PRESUMABLY STEMS FOR ORIGINAL INDIGENIZATION ANNOUNCEMENT THAT CONSTRUCTION WILL BE 60 PERCENT NIGERIAN BY 1979. WE HEAR RUMORS THAT THIS WAS BE MODIFIED IN

FINAL DECREE BUT UNABLE CONFIRM AS YET. MEANWHILE,
AMERICAN CONTRACTORS ALREADY IN NIGERIA BEGAN WHAT MAY BE
SIGNIFICANT BREAKTHROUGH, WINNING CONTRACTS ON ROADS,
WAREHOUSES, ETC. FINALLY, IT APPEARS THAT EMBASSY ACTIVITY
PRESERVE OPIC AGREEMENT HERE WAS SUCCESSFUL.

6. PROGRAM ADMINISTRATION: AID AMALGAMATION BEGAN IN
EARNEST WITH ARRIVAL NEW AID GENERAL DEVELOPMENT OFFICER.
NEW AGRICULTURE ATTACHE ARRIVED AND EMBARKED ON EXTENSIVE
CALLS THROUGHOUT NIGERIA. LIFTING IN SEPTEMBER OF SEVEN-
MONTH-OLD BAN ON DIPLOMATIC TRAVEL WITHIN COUNTRY ALSO
PERMITTED E/C OFFICERS TO LEAVE LAGOS AND CARRY OUT EXTENSIVE
OFFICIAL TRAVEL. FEDERAL AVIATION AGENCY MOVED END OF QUARTER
TO MONROVIA.
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